NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this	th_day of_	PRIL	_, 2010, by and between
Bridge He R. Thompson	1 a SiNe	6 PERSON	
whose addresss is <u>3402</u> <u>South</u> and, <u>DALE PROPERTY SERVICES, L.L.C., 2100 Ross</u> hereinabove named as Lessee, but all other provisions (in 1. In consideration of a cash bonus in hand pai described land, hereinafter called leased premises:	Avenue, Suite 1870 Dalla	lank snaces) were prepared jointly by Les	ssor and Lessee.
OUT OF THE AYAM BOUTLEAST FORT WALL BOUTLEAST IN VOLUME 368, PAGE	ESS, BEING LOT(S)	ADDITI NTY, TEXAS, ACCORDING TO OF THE PLAT RECORDS OF	, BLOCK <u>AO</u> ON, AN ADDITION TO THE CITY OF THAT CERTAIN PLAT RECORDED TARRANT COUNTY, TEXAS.
in the County of <u>Tarrant</u> , State of TEXAS, containing reversion, prescription or otherwise), for the purpose of substances produced in association therewith (includin commercial gases, as well as hydrocarbon gases. In a land now or hereafter owned by Lessor which are contigues or agrees to execute at Lessee's request any addition of determining the amount of any shut-in royalties hereur	f exploring for, developing, ng geophysical/seismic ope ddition to the above-describ guous or adjacent to the about the about of supplemental instrum	producing and marketing oil and gas, a prations). The term "gas" as used her ed leased premises, this lease also cow- ove-described leased premises, and, in or pents for a more complete or accurate de	long with all hydrocarbon and not hydrocarbon rein includes helium, carbon dioxide and other ers accretions and any small strips or parcels of consideration of the aforementioned cash bonus, scription of the land so covered. For the purpose
2. This lease, which is a "paid-up" lease requiring as long thereafter as oil or gas or other substances cover the	red hereby are produced in	for a primary term of <u>Five</u> paying quantities from the leased premis	()years from the date hereof, and for les or from lands pooled therewith or this lease is
otherwise maintained in effect pursuant to the provisions 3. Royalties on oil, gas and other substances prosparated at Lessee's separator facilities, the royalty separated at Lessee's separator facilities, the royalty separated at Lessee's separator facilities, the royalty separation at the wellhead or to Lessor's credit at the oil put the wellhead market price then prevailing in the same in prevailing price) for production of similar grade, and severance or other excise taxes and the costs incurred have the continuing right to purchase such production at then prevailing in the same field, then in the nearest field nearest preceding date as the date on which Lessee con the leased premises or lands pooled therewith are capa hydraulic fracture stimulation, but such well or wells are be producing in paying quantities for the purpose of main being sold by Lessee, then Lessee shall pay shut-in roy depository designated below, on or before the end of same shut-in or production there from is not being sold be Lessee from another well or wells on the leased premise of such operations or production. Lessee's failure to product on the leased premise of such operations or production. Lessee's failure to product and such payments or tenders to Lessor or to the address known to Lessee shall constitute proper payment payment hereunder, Lessor shall, at Lessee's request, of the second payments or lands pooled therewith, or if all production pursuant to the provisions of Paragraph 3 above, premises or lands pooled therewith within the end of the primary term, or at any time thereafter, operations reasonably calculated to obtain or restore pronocessation of more than 90 consecutive days, and if there is production in paying quantities from the leased Lessee shall drill such additional wells on the leased premises or lands play the provided herein to (a) develop the leased premises as to formations the leased premises from uncompensated drainage by any additional wells excert as expressly provided herein	hereof. duced and saved hereunde hall be proceeds realized (or if there is no such gravity; (b) for gas (includ the proceeds realized by Le by Lessee in delivering, protect the prevailing wellhead maild in which there is such a immences its purchases here ble of either production or either shut-in or production that in the proceeds realized by Lessee; provided that if the sor lands pooled therewith perly pay shut-in royalty shantled be paid or tendered to Lardless of changes in the own depository by deposit in the ent. If the depository should teliver to Lessee a proper reif Lessee drills a well which in (whether or not in paying on of any governmental aurations for reworking an existing 90 days after completion or this lease is not otherwise oduction therefrom, this leas any such operations result premises or lands pooled there en capable of producing in well or wells located on otherwell or wells located on otherwells.	r shall be paid by Lessee to Lessor as for the Conference of Solon of Such politics, provided that Lessee shall have the price then prevailing in the same field, the price then prevailing in the same field, the price then prevailing in the same field, the price paid for production of similar querevailing price) pursuant to comparable under, and (c) if at the end of the primary gas or other substances covered hereby there from is not being sold by Lessee, such payment of 90 consecutive days such well of the covered by this lease, such payment fifter on or before each anniversary of the this lease is otherwise being maintained, no shut-in royalty shall be due until the all render Lessee liable for the amount duessor or to Lessor's credit in at lessor's respective of said land. All payments or teres to US Mails in a stamped envelope addres liquidate or be succeeded by another in cordable instrument naming another institutions in incapable of producing in paying quartities) permanently ceases from an quantities) permanently ceases from an authority, then in the event this lease is sting well or for drilling an additional well for operations on such dry hole or within 90 being maintained in force but Lessee is the shall remain in force so long as any or in the production of oil or gas or other sherewith. After completion of a well cape with as a reasonably prudent operator we paying quantities on the leased premise or lands not pooled therewith. There shall and the production of the leased premise or lands not pooled therewith. There shall and the production of the production. There shall and the production of the leased premise or lands not pooled therewith. There shall and the production of the production. There shall and the production of the production. There shall and the production of a well cape with as a reasonably prudent operator we paying quantities on the leased premise or lands not pooled therewith. There shall are the production of	collows: (a) For oil and other liquid hydrocarbons production, to be delivered at Lessee's option to be continuing right to purchase such production at then in the nearest field in which there is such a libstances covered hereby, the royalty shall be intonate part of ad valorem taxes and production, is or other substances, provided that Lessee shall reliable to the same field (or if there is no such price purchase contracts entered into on the same or it term or any time thereafter one or more wells on a paying quantities or such wells are waiting on such well or wells shall nevertheless be deemed to be made to Lessor or to Lessor's credit in the end of said 90-day period while the well or wells it by operations, or if production is being sold by end of the 90-day period next following cessation e, but shall not operate to terminate this lease. It is a said the depository or to the Lessor at the last stitution, or for any reason fail or refuse to accept tution as depository agent to receive payments. This is the otherwise being maintained in force it shall or for otherwise obtaining or restoring production of days after such cessation of all production. If at then engaged in drilling, reworking or any other walls able of producing in paying quantities hereunder, ould drill under the same or similar circumstances so relands pooled therewith, or (b) to protect the all be no covenant to drill exploratory wells or any
6. Lessee shall have the right but not the obligat depths or zones, and as to any or all substances cover proper to do so in order to prudently develop or operate unit formed by such pooling for an oil well which is not horizontal completion shall not exceed 640 acres plus a completion to conform to any well spacing or density per of the foregoing, the terms "oil well" and "gas well" shap prescribed, "oil well" means a well with an initial gas-oil feet or more per barrel, based on 24-hour production equipment; and the term "horizontal completion" mean equipment; and the term "horizontal completion" mean component thereof. In exercising its pooling rights he Production, drilling or reworking operations anywhere reworking operations on the leased premises, except the acreage covered by this lease and included in the Lessee. Pooling in one or more instances shall not exunit formed hereunder by expansion or contraction or prescribed or permitted by the governmental authority making such a revision, Lessee shall file of record a weleased premises is included in or excluded from the unbe adjusted accordingly. In the absence of production a written declaration describing the unit and stating the 7. If Lessor owns less than the full mineral estate of the leased premises or lands pooled therewith shall I such part of the leased premises.	ered by this lease, either be the leased premises, wheth a horizontal completion shall maximum acreage tolerance term that may be prescribed. If have the meanings prescratio of less than 100,000 cm test conducted under nor in san oil well in which the san oil well in which the san oil well in which the hereunder, Lessee shall file of on a unit which includes a neat the production on which unit bears to the total groshaust Lessee's pooling right both, either before or after having jurisdiction, or to confitten declaration describing it by virtue of such revision, in paying quantities from a udate of termination. Poolings in all or any part of the lease	If ore or after the commencement of proting or or ont similar pooling authority exists all not exceed 80 acres plus a maximum are of 10%; provided that a larger unit may dor permitted by any governmental authoribed by applicable law or the appropriate ubic feet per barrel and "gas well" means mal producing conditions using standal horizontal component of the gross concirciontal component of the gross completer of the second a written declaration describing all or any part of the leased premises shall be the acreage in the unit, but only to the exist acreage in the unit, but only to the exist acreage in the unit, but only to the exist acreage determ the revised unit and stating the effective the proportion of unit production on which init, or upon permanent cessation thereoused premises, the rovalties and shut-in rovaled.	struction, whenever Lessee deems it necessary or with respect to such other lands or interests. The acreage tolerance of 10%, and for a gas well or a property beformed for an oil well or gas well or horizontal ority having jurisdiction to do so. For the purpose e governmental authority, or, if no definition is so a well with an initial gas-oil ratio of 100,000 cubic region interval in facilities or equivalent testing appletion interval in facilities or equivalent testing petion interval in the reservoir exceeds the vertical the unit and stating the effective date of pooling hall be treated as if it were production, drilling or at proportion of the total unit production which the stent such proportion of unit production is sold by recurring right but not the obligation to revise any to conform to the well spacing or density pattern ination made by such governmental authority. In date of revision. To the extent any portion of the chroyalties are payable hereunder shall thereafter for the second of interests.

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- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to
- pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures,
- premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease and covering all or a portion of the land described herein, with the lease becoming effective upon
- 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination to remedy the breach or default and Lessee fails to do so.

 14. For the same consideration recited above, Lessor hereby grapts, assigns, and conveys unto Lessee its successors and assigns, a pernetual subsurface well bore.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event is made, aware of any claim inconsistent with Lessor's title Lessee may suspend the payment of royalties and shut-in royalties hereunder without interest, until
- Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's

heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. LESSOR (WHETHER ONE OR MORE) By: **ACKNOWLEDGMENT** KRAN T nowledged before me on the _day of DUN PHILLIP A. CARAWAY thic State of Texas State of Commission Expires y's name (printed): y's commission expir Moren 23, 2011 STATE OF COUNTY OF This instrument was acknowledged before me on the 2010. day of

> Notary Public, State of Notary's name (printed) Notary's commission expires:

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9 **DALLAS, TX 75201**

Submitter: DALE RESOURCES LLC

DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

4/23/2010 3:23 PM

Instrument #:

D210095192

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\$20.00

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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: DBWARD